

**ST. LANDRY PARISH HOSPITAL
SERVICE DISTRICT NO. 1**

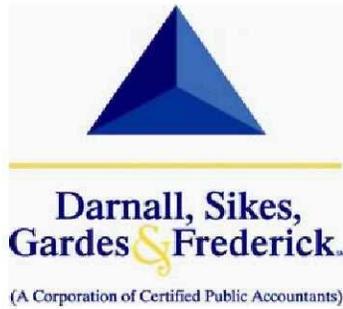
Eunice, Louisiana

Compiled Financial Report

Years Ended May 31, 2013 and 2012

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E. Larry Sikes, CPA/PFS, CVA, CFPTM
 Danny P. Frederick, CPA
 Clayton E. Damall, CPA, CVA
 Eugene H. Damall, III, CPA
 Stephanie M. Higginbotham, CPA
 John P. Armato, CPA/PFS
 J. Stephen Gardes, CPA, CVA
 Jennifer S. Ziegler, CPA/PFS, CFPTM
 Chris A. Miller, CPA, CVA
 Steven G. Moosa, CPA
 M. Rebecca Gardes, CPA
 Joan B. Moody, CPA
 Lauren V. Hebert, CPA/PFS
 Barbara Ann Watts, CPA/CFE
 Stephen R. Dischler, MBA, CPA
 Pamela Mayeux Bonin, CPA, CVA
 Erich G. Loewer, III, CPA, M.S.Tax
 Craig C. Babineaux, CPA/PFS, CFPTM
 Jeremy C. Meaux, CPA
 Chad M. Bailey, CPA

INDEPENDENT ACCOUNTANT’S COMPILATION REPORT

Board of Commissioners
 St. Landry Parish Hospital Service District No. 1
 Eunice, Louisiana

We have compiled the accompanying statement of net position of the St. Landry Parish Hospital Service District No. 1, Eunice Louisiana, a component unit of the St. Landry Parish Government, as of May 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management’s discussion and analysis and budgetary comparison information, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The District has not presented this information as part of the financial report for the year ended May 31, 2013.

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
 August 22, 2013

Kathleen T. Darnall, CPA
 Dustin B. Baudin, CPA, MBA
 Kevin S. Young, CPA
 Adam J. Curry, CPA
 Christy S. Dew, CPA, MPA
 Blaine M. Crochet, M.S., CPA
 Rachel W. Ashford, CPA
 Veronica L. LeBleu, CPA, MBA
 Jacob C. Roberie, CPA/PFS
 Kyle P. Saltzman, CPA
 Christine A. Guidry, CPA, MBA
 Brandon L. Porter, CPA
 Tanya S. Nowlin, Ph.D., CPA
 Elise B. Fauchaux, CPA
 Nicole B. Bruchez, CPA, MBA
 Brandon R. Dunphy, CPA
 Seth C. Norris, CPA
 W. Kyle George, CPA, MBA
 Mary Catherine Hollier, CPA

2000 Kaliste Saloom Rd.
 Suite 300
 Lafayette, LA 70508
 Phone: 337.232.3312
 Fax: 337.237.3614

1231 E. Laurel Ave.
 Eunice, LA 70535
 Phone: 337.457.4146
 Fax: 337.457.5060

1201 Brashear Ave.
 Suite 301
 Morgan City, LA 70380
 Phone: 985.384.6264
 Fax: 985.384.8140

203 S. Jefferson Street
 Abbeville, LA 70510
 Phone: 337.893.5470
 Fax: 337.893.5470

Member of:
 American Institute of
 Certified Public Accountants
 Society of Louisiana
 Certified Public Accountants
 www.dsfcpas.com

ST. LANDRY PARISH HOSPITAL SERVICE DISTRICT NO. 1

Statements of Net Position
May 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 294,100	\$ 279,428
PROPERTY, PLANT AND EQUIPMENT, NET	<u>151,788</u>	<u>152,908</u>
TOTAL ASSETS	<u>\$ 445,888</u>	<u>\$ 432,336</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Unearned revenue	\$ 37,294	\$ 38,166
NET POSITION	<u>408,594</u>	<u>394,170</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 445,888</u>	<u>\$ 432,336</u>

See accompanying notes and accountant's report.

ST. LANDRY PARISH HOSPITAL SERVICE DISTRICT NO. 1

Statements of Revenues, Expenses and Changes in Net Position
 Years Ended May 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
OPERATING REVENUE		
Lease revenue	\$ <u>2,129</u>	\$ <u>2,072</u>
OPERATING EXPENSES		
Fees	3,419	3,662
Scholarships	<u>1,000</u>	<u>2,000</u>
	<u>4,419</u>	<u>5,662</u>
LOSS FROM OPERATIONS	(2,290)	(3,590)
NONOPERATING REVENUE		
Interest income	1,334	2,169
Gain on sale of property plant and equipment	<u>15,380</u>	<u>-</u>
CHANGE IN NET POSITION	14,424	(1,421)
TOTAL NET POSITION, beginning of year	<u>394,170</u>	<u>395,591</u>
TOTAL NET POSITION, end of year	<u>\$ 408,594</u>	<u>\$ 394,170</u>

See accompanying notes and accountant's report.

ST. LANDRY PARISH HOSPITAL SERVICE DISTRICT NO. 1

Statements of Cash Flows
Years Ended May 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES:		
Loss from operations	\$ (2,290)	\$ (3,590)
Changes in assets and liabilities:		
Deferred revenue	<u>(872)</u>	<u>(872)</u>
Net cash used by operating activities	<u>(3,162)</u>	<u>(4,462)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of land	<u>16,500</u>	<u>-</u>
Net cash provided by capital and related financing activities	<u>16,500</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>1,334</u>	<u>2,169</u>
Net cash provided by investing activities	<u>1,334</u>	<u>2,169</u>
Net increase (decrease) in cash and cash equivalents	14,672	(2,293)
Cash and cash equivalents, beginning of year	<u>279,428</u>	<u>281,721</u>
Cash and cash equivalents, end of year	<u>\$ 294,100</u>	<u>\$ 279,428</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income tax	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and accountant's report.

ST. LANDRY PARISH HOSPITAL SERVICE DISTRICT NO. 1

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Legal Organization

The St. Landry Parish Hospital Service District No. 1, ("District") was created by an ordinance of the St. Landry Parish Government. The governing board of the District consists of six members appointed by the Jury and the chief of the medical staff. Because the St. Landry Parish Government appoints the majority of the commissioners of the St. Landry Parish Hospital Service District No. 1, the parish government is considered to have the ability to impose its will on the District and therefore the District is a component unit of the St. Landry Parish Government, which is the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Nature of Business

The District leases real estate to professions and businesses providing healthcare services to the local community.

Proprietary Fund Accounting

The District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual method. Hospital accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide - Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Property, Plant and Equipment

Purchased fixed assets are recorded at cost and donated fixed assets, if received, at fair market value on the date of any donation. Depreciation is calculated over estimated useful lives, using the straight-line method. Equipment under capital lease obligations is amortized using the straight-line method over the life of the asset if there is a bargain purchase option or transfer of title. If there is no bargain purchase option or transfer of title, the leased asset is amortized over the lease term. Such amortization is included in depreciation in the financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

ST. LANDRY PARISH HOSPITAL SERVICE DISTRICT NO. 1

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The District is a political subdivision of the State of Louisiana and exempt from taxation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Standards

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB).

Change in Accounting Principle

The District adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

GASB Statement No. 63 introduced and defined deferred outflows of resources and deferred inflows of resources as consumption and an acquisition, respectively, of net assets by the government that is applicable to a future reporting period. It also identifies net position, rather than net assets, as the residual of all elements presented in a statement of net position.

Date of Management Review

Subsequent events were evaluated through August 22, 2013, the date of the report.

NOTE 2 CASH AND CASH EQUIVALENTS

Under state laws, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. The District has cash and cash equivalents (book balances) totaling \$294,100 and \$279,428 as of May 31, 2013 and 2012, respectively.

ST. LANDRY PARISH HOSPITAL SERVICE DISTRICT NO. 1

Notes to Financial Statements

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

These deposits are stated at cost, which approximates market. Under state laws, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at May 31, 2013 and 2012, totaled \$294,100 and \$279,428, respectively, and were fully secured by federal deposit insurance and pledged securities. The market value of securities pledged totaled \$625,910 at May 31, 2013.

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment and related accumulated depreciation for the years ended:

	<u>May 31, 2013</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	<u>\$ 151,788</u>	<u>\$ -</u>	<u>\$ 151,788</u>

	<u>May 31, 2012</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	<u>\$ 152,908</u>	<u>\$ -</u>	<u>\$ 152,908</u>

Depreciation is calculated using the straight-line method. Useful lives for the purpose of calculating depreciation by class are:

Buildings & Improvements	10 - 40 years
Equipment	3 - 15 years

ST. LANDRY PARISH HOSPITAL SERVICE DISTRICT NO. 1

Notes to Financial Statements

NOTE 4 UNEARNED REVENUE

The District leases property to PHC-Eunice, Inc., a subsidiary of Lifepoint Hospitals, Inc. under a non-cancelable, operating lease for an initial term of fifty years, effective March 10, 2006. Subsequent to the initial term, the lease provides PHC-Eunice, Inc. an option to extend the lease for an additional term of twenty-five years. The District collected the entire lease revenue on the effective date. The following schedule provides, by year, the future recognition of revenue under the lease as of May 31, 2013:

<u>Year Ending May 31,</u>	<u>Amount</u>
2014	\$ 872
2015	872
2016	872
2017	872
2018	872
Thereafter	<u>32,934</u>
	<u>\$ 37,294</u>